

**MINUTES**

**MONTANA SENATE  
58th LEGISLATURE - REGULAR SESSION**

**COMMITTEE ON FINANCE AND CLAIMS**

**Call to Order:** By **CHAIRMAN TOM ZOOK**, on April 3, 2003 at 8:00  
A.M., in Room 317 Capitol.

**ROLL CALL**

**Members Present:**

Sen. Tom Zook, Chairman (R)  
Sen. Bill Tash, Vice Chairman (R)  
Sen. Keith Bales (R)  
Sen. Gregory D. Barkus (R)  
Sen. Edward Butcher (R)  
Sen. John Cobb (R)  
Sen. Mike Cooney (D)  
Sen. John Esp (R)  
Sen. Royal Johnson (R)  
Sen. Bob Keenan (R)  
Sen. Rick Laible (R)  
Sen. Bea McCarthy (D)  
Sen. Linda Nelson (D)  
Sen. Trudi Schmidt (D)  
Sen. Debbie Shea (D)  
Sen. Corey Stapleton (R)  
Sen. Emily Stonington (D)  
Sen. Jon Tester (D)  
Sen. Joseph (Joe) Tropila (D)

**Members Excused:** None.

**Members Absent:** None.

**Staff Present:** Prudence Gildroy, Committee Secretary  
Taryn Purdy, Legislative Branch

**Please Note.** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing & Date Posted: HB 2, 3/22/2003  
Executive Action:

**RECONVENE HEARING ON HB 2**

**CHAIRMAN TOM ZOOK** mentioned with amendments that are offered, he hoped they would support the subcommittees.

**Section A:**

**Motion:** SEN. COREY STAPLETON moved that HB000222.ALZ BE ADOPTED.  
**EXHIBIT**(fcs71a01)

**SEN. STAPLETON** explained the amendment keeps three law clerks for a critical function in the **Supreme Court**.

**Vote:** Motion carried unanimously.

**Motion:** SEN. RICK LAIBLE moved that HB000212.AGD BE ADOPTED.  
**EXHIBIT**(fcs71a02)

**SEN. LAIBLE** said one of the concerns with the state lottery, is how much of the other games are funded by Powerball. He is asking the agency for a report at the end of the biennium.

**SEN. JON TESTER** asked **Jerry LaChere, Montana Lottery**, if this is already being done with the legislative audit every two years. **Mr. LaChere** advised they have a financial audit every year. Security audits are done every other year. In their quarterly financial report, they break out the individual expenses and revenue by game. This is added to their annual report as well.

**SEN. TESTER** asked if the amendment is still necessary. **SEN. LAIBLE** thought since they are already providing the information, he thought it would be good policy if they would present it to the subcommittee at the beginning of the next legislative session.

**Vote:** Motion carried unanimously.

**Motion:** SEN. GREG BARKUS moved that HB000208.AGD BE ADOPTED.  
**EXHIBIT**(fcs71a03)

**SEN. BARKUS** advised this is earmarking in the **Department of Transportation**.

**Vote:** Motion carried unanimously.

**Motion:** SEN. MIKE COONEY moved that HB000201.AGD BE ADOPTED.  
**EXHIBIT**(fcs71a04)

**Discussion:**

**SEN. COONEY** advised the amendment deals with the **Appellate Defender Program**, and a problem when the move was made back to the year 2000 base. They weren't in the general fund budget at that time; they were a special revenue account. The amendment would replace the money they lost, but not the Governor's reductions. They get their business by order of the district courts. They can turn the business down, but if they do, the state picks up the expenses of hiring outside counsel.

**CHAIRMAN ZOOK** asked **SEN. JOHN ESP** if the **Subcommittee on District Court Funding** had a bill dealing with public defenders.

**SEN. ESP** replied they did. He indicated it is not covered in **HB 2** yet.

**SEN. COONEY** said if the amendment passes, \$16,000 is put in for the biennium. The agency will end up taking \$6,000 to \$12,000 in reductions. If it is covered under **SEN. ESP'S** proposal, the conference committee can deal with this. He thought if this doesn't pass, it will cost money to the state.

**CHAIRMAN ZOOK** said this is an issue the subcommittee worked on, and he supports the activities of the subcommittee. **SEN. ESP** and the subcommittee have spent many hours dealing with district court assumption. He was opposed to doing this at this time.

**SEN. TESTER** said the problem was he didn't know if the bill would make it through the process. If this amendment is adopted, it brings it to the attention of the conference committee.

**CHAIRMAN ZOOK** thought people involved with this would make sure the conference committee knows if there are problems or not.

**SEN. LAIBLE** said the amendment was drafted before the 1% was reinstated. He asked how much that was.

**SEN. COONEY** believed the 1% reduction in this agency was somewhere around \$84,000.

**SEN. LAIBLE** said they should only be asking for \$4000.

**SEN. COONEY** sensed the amendment was in trouble. He said if it doesn't pass, there is the ACLU lawsuit. The **Appellate Defender** is not involved in that yet, but when it was brought up in subcommittee, the agency said they would be fine at the level of funding by the subcommittee. The reduction that came out, is

lower than what they anticipated. If care is not taken, the agency will be invited into that lawsuit. He thought it would be a good safety net to provide.

**CHAIRMAN ZOOK** thought it the wrong time to be moving general fund money. He had to support what the subcommittee did.

**SEN. LAIBLE** thought this could be taken up in conference committee. He agreed the department is on the verge of not being able to accomplish their functions, but he didn't know what the financial condition actually is.

**CHAIRMAN ZOOK** said he could wait until evening. **SEN. COONEY** withdrew his motion.

**Motion:** **SEN. LAIBLE** moved that HB000226.ALZ BE CONCURRED IN.  
**EXHIBIT** (fcs71a05)

**SEN. LAIBLE** noted the **Commissioner of Political Practices** doesn't have a large budget, but there are significant amounts of money that are outsourced for legal services. The amendment encourages them to use the existing legal services within the **Department of Justice**.

**Discussion:**

**SEN. STAPLETON** was not quite sure what message the amendment sends. He wondered what happens if the **Attorney General** runs for Governor. He wondered if the savings are worth the compromise.

**SEN. LAIBLE** didn't think having this language would change the ability of the **Commissioner of Political Practices** to work with the **Attorney General**. It was a matter of using in-house services or contracted services. The language was just to encourage.

**SEN. STONINGTON** asked if agencies have the authority to request the **Attorney General** to do their work for them.

**SEN. LAIBLE** indicated yes.

**SEN. BOB KEENAN** maintained the amendment is flawed, because there is no way the legislature can get a report each year of the 2005 biennium during the 2005 session. They will be half way through the 2005 fiscal year at that point in time.

**Taryn Purdy, Legislative Fiscal Division**, advised the language could be changed to FY 2005 to date with a verbal amendment.

SEN. ESP asked SEN. COONEY about his concern. SEN. COONEY said he knew for a fact the **Commissioner of Political Practices** uses the **Attorney General**, or at least attorneys in the **Attorney General's** office for a good part of the work they do. The office will occasionally contract out with an attorney or two to handle other cases. He knew with the amount of money they have to deal with, they are far behind on their cases. He didn't understand what would be accomplished, and thought they were already doing it.

SEN. LAIBLE said he was just asking for a report of where they're using the money when they're outsourcing. If they are outsourcing already to the AG's office, there is no problem. If they are outsourcing a predominant amount, he would wonder why. He wanted to make sure in-house legal services are utilized as much as possible.

SEN. COONEY said he had no problem with them being accountable, but he knew they were utilizing the services of the **Attorney General** to deal with legal issues before the commission.

*{Tape: 1; Side: B}*

**Vote:** Motion carried 16-3 with MCCARTHY, SCHMIDT, and STAPLETON voting no.

**Motion:** SEN. KEENAN moved that HB000210.AGD BE ADOPTED.  
**EXHIBIT** (fcs71a06)

SEN. KEENAN advised the amendment reverses the House floor amendment to fund 45 misdemeanor probation officers from the **Department of Transportation** highway safety funds.

CHAIRMAN ZOOK invited **Director Dave Galt, Department of Transportation**, to comment.

**Director Galt** was very concerned about the issue. The idea of the probation officers is the rationale for opposing the open container bill. If the open container law is not passed, \$5.6 million must be transferred from the Core Construction Program to Highway Safety. The rationale is if it is put in Highway Safety, they don't have to match the money that would have to be matched if it is in the Highway Construction Program. It doesn't matter if that money is spent on safety projects or probation officers. The problem with the loss of the money is it comes out of the Core Construction Program and is required to be used for education enforcement on impaired drivers or hazard elimination. When it comes out of the Core Construction Program, he bills the program, and the Transportation Commission bills that program

based on the anticipation that it will have all it's funds. If the money is transferred, someone in the state is going to lose \$5.6 million worth of highway construction money. Another reason to use the money for Highway Safety is it is gas tax. Those funds are paid by highway users in the form of gasoline, diesel fuel, truck weight fees, and truck excise taxes. The promise always was that gas tax monies would go toward projects and fixing roads. He would like to use the entire source of these funds for highway safety projects. Those projects are required every year throughout the highway system for places where there are accident clusters. They try to identify the reason and if there is an engineering solution, and the benefit is greater than the cost, it is put on a list. Every year, they don't have enough money to get to the bottom of the list. He would like to spend the entire \$5.6 million on those issues. This is an unstable funding source. He did not want to create a popular program that would later have to be picked up by the general fund.

**SEN. BEA MCCARTHY** asked if the money was removed, how would projects on the list be completed during this cycle.

**Director Galt** indicated they have a tentative construction program based on five years. If the open container law and repeat offender laws are not passed this session, on October 1, 2004, money will have to be transferred out of the core construction program. Every year the Transportation Commission, the internal staff, and engineering and planning plan their program based on projected costs and available money. If money has to be transferred, the Highway Commission and department staff will have to analyze the construction programs and projects and remove \$5.6 million for each of those years.

**CHAIRMAN ZOOK** asked if the majority of DUI cases show up on the highways or on the streets.

**Director Galt** said he did not have an answer for that.

**SEN. COONEY** commented because the \$5.6 million requires no state match of federal funds, the state saves \$800,000. He asked **Director Galt** to explain how that works.

**Director Galt** explained when the money is in their Core Construction Program, the program funds projects that have a match rate. The match rate can vary, but the standard is 13%. When that money is moved in to the 402 program, it is a different funding category. That money is spent on eligible safety projects or alcohol education enforcement for impaired drivers. That money is 100% federal, so the money turns from matched money

into 100% federal. It doesn't matter whether they fund hazardous elimination projects or probation officers out of the 402 money, it is still 100% federal. That's why the federal National Highway Traffic Safety Administration has to approve their plan for spending that money.

**SEN. KEENAN** asked who the 45 probation officers will work for.

**Director Galt** did not know.

**REP. JIM SHOCKLEY, HD 61**, advised they will work for the Justice of the Peace at a cost of less than \$1.5 million. They will be county employees. **EXHIBIT(fcs71a07)**

**SEN. KEENAN** asked if the money is restricted for use in the next biennium. His concern was how long it would take to hire and train these 45 probation officers. It would be a biennial appropriation, and at the end of the biennium, there will be no funding for these probation officers unless the counties can find that money.

**REP. SHOCKLEY** indicated these people will be trained just like **Department of Correction** probation officers. It will start as soon as the program is instituted.

**SEN. KEENAN** asked how the continuation of the positions would be funded.

**REP. SHOCKLEY** said that is always a problem. He realized it is a weak point. It can be funded this way, and like any other problem, it can be handled next session. If they really want to do something about DUI's, this will actually save lives.

**SEN. LAIBLE** asked **Director Galt** about the promise to taxpayers to use the funds to build highways. He stressed the \$5.6 million is federal money.

**Director Galt** said whether it is federal money or state money, it comes out of federal and state highway trust funds made up of diesel fuel tax taxes, gasoline taxes, ethanol fuel taxes, excise taxes on trucks, and heavy registration on trucks.

**SEN. LAIBLE** said if they don't take this money, the department will end up with \$4.1 million in federal money. He wondered if that will go for safety projects.

**Director Galt** said taking the money would send a message the money is fair game. He wanted to send the message the money is

highway user fees whether federal or state, and that it ought to be used to address problems.

**SEN. LAIBLE** asked about the response from the **Montana County Attorney's Association** to **REP. SHOCKLEY'S** idea for the probation officers.

**REP. SHOCKLEY** stated law enforcement uniformly wants this. A county attorney said in committee that if he had a choice between open containers or probation officers, he would rather have the probation officers. There is widespread support for the probation officers.

**SEN. LAIBLE** asked if the program is put in place, how would it's effectiveness be tracked.

**REP. SHOCKLEY** didn't know, but in a conference between himself, **Director Galt**, **Director Slaughter**, etc., **Director Slaughter** said this is going to be so good, they'll never get rid of it. County Attorneys say it is needed.

**SEN. ESP** asked **Director Galt** about using the funds for safety projects, and asked what other funding they have.

**Director Galt** replied once the money is transferred into the 402 program from the Core Construction Program, it can only be spent on education and enforcement to reduce impaired driving, or highway safety hazard elimination. Those projects are very specific, and require a detailed cost/benefit analysis and a recognized safety problem. They can be for things like guardrails, rumble strips, turn signals, etc. Usually they are relatively small projects of less than \$1 million.

**SEN. ESP** asked how they are used for enforcement.

**Director Galt** said **REP. SHOCKLEY** had asked him early in the debate about probation officers to focus solely on going after convicted DUI's, and if that expenditure was eligible for the 402 program. He asked the National Highway Traffic Safety Administration that question, and they said it would be eligible under enforcement.

**SEN. ESP** asked if the money would then be available next biennium.

**Director Galt** stated it would depend on what happens to the sanctions. This year as Congress re-authorizes the highway program, some of it would be up to whether the NHTSA



administrator allows continuing the program. If the rules don't change, he assumed it would be.

**SEN. ESP** asked about education and safety and if computer driven signs are part of that program.

**Director Galt** said those signs were part of a special project that was a partnership between the Western Transportation Institute of **Montana State University** and the **Montana Department of Transportation**. He described billboards that are typically paid for out of the funding.

**SEN. ESP** asked if they planned to put any more of those signs up.

**Director Galt** indicated every year, he gets an intense amount of pressure from the National Highway Traffic Safety Administration to use funds for enforcement and advertising campaigns. Before Christmas, he was asked to spend up to \$2 million of these funds and he refused. They did contact local law enforcement and the **Highway Patrol** about focusing on impaired driving, and did some ads on television and radio.

**SEN. ESP** thought the highway signs were a more efficient way to do that.

**SEN. STAPLETON** advised he supported the House on this issue. He thought it would be better to have 15 probation officers over three bienniums. He wondered if there was some way to structure that in **HB 2** for the same amount of money.

**CHAIRMAN ZOOK** commented the bill is only good for two years, and he was sure a lot of people were happy about that.

**SEN. STAPLETON** said that is the weakness, and he agreed with the proponents of the amendment.

**Ms. Purdy** said if they wanted to statutorily appropriate funds for that purpose they could do so, but a statutory appropriation for that purpose would defy every principle of statutory appropriation.

**SEN. KEITH BALES** asked if the local governments would have to apply to the department for grants.

**Director Galt** advised they would have to apply to the Highway Traffic Safety Division.

**SEN. BALES** asked who would determine where the 45 probation officers would go, since there are 56 counties.

**Director Galt** said **REP. SHOCKLEY'S** idea was for one probation officer in every judicial district.

**SEN. BALES** asked how they would be parceled out.

**REP. SHOCKLEY** indicated he picked 45 because that is the number of district judges. The district judges roughly equal the caseloads. Miles City might want one, and then the surrounding counties could use the same person.

**SEN. BALES** said they had heard a bill addressing the **Juvenile Probation Officers**. There was some thought they ought to be under the **Department of Corrections**. He asked if this would be under the district judges.

*{Tape: 2; Side: A}*

**REP. SHOCKLEY** indicated they would work under the **Justice of the Peace** as county employees, and wouldn't work for the **Department of Corrections**. Felony probation officers work for the **Department of Corrections**. The **Juvenile Probation Officers** who work by direction of the District Judges are funded by state dollars under court assumption.

**SEN. BALES** said it would be another group of people under the court system, rather than the **Corrections** system. It would be further separating the functions.

**REP. SHOCKLEY** said they would work for the Justice of the Peace, just like the Juvenile Probation Officers work for the District Judges.

**SEN. TESTER** asked **Director Galt** since the open container law was set aside in the House, if they were required to take \$5.6 million from core construction projects and put it into a safety program.

**Director Galt** said that is correct.

**SEN. TESTER** asked if the open container bill would have passed the House and Senate, if they wouldn't have been required to take that \$5.6 million out and put it in a safety program.

**Director Galt** said that is correct.

**SEN. TESTER** asked what they would have done in their safety program if those dollars had not been forced to be transferred.

**Director Galt** indicated there was somewhere between \$1 million and \$1.6 million for the core 402 safety program. It is a funded program under the National Highway Traffic Safety Administration. They would fund some of the programs they're funding now, plus their highway safety staff with the core money.

**SEN. TESTER** asked if they had the \$800,000 in match if the \$5.6 would have remained in the Core Construction funding.

**Director Galt** said absolutely.

**SEN. MCCARTHY** asked if the 45 individuals will become county employees, and if benefits will be the counties' responsibility.

**REP. SHOCKLEY** indicated it is part of the funding. 15% of the \$27,000 per person is covered in the bill.

**SEN. MCCARTHY** said only on a one-time basis. **REP. SHOCKLEY** said for this biennium.

**SEN. ESP** urged the committee to support the amendment. He thought he would bring an amendment later to mirror **SEN. STAPLETON'S** suggestion, etc.

**SEN. STAPLETON** said he would support the amendment too, with that understanding. If they can do language that the federal dollars can be rolled over, perhaps they can accomplish 15 probation officers over that period of time.

**SEN. JOHN COBB** said he wasn't even going to support the next amendment, and felt they shouldn't be taking state and federal money for this since they aren't funding state government at this time. The counties could fund the program by raising their own taxes.

**CHAIRMAN ZOOK** advised for years they had been trying to get the **Highway Patrol** off the federal money that comes to the **Highway Department**. They have been criticized for that, and have had to use it because of the general fund situation. This is a new program, and he agreed with **SEN. COBB**.

**SEN. LAIBLE** said he would reject the amendment. This is a policy change. They reduced the legal limit from .10 down to .08. They changed how they are going to treat drunk drivers. He wondered if anyone actually thought that any of these laws by themselves are going to take any drunk off the road. The counties could fund this themselves, but they have the same problem the state has with revenue. If each probation officer kept one person from going to prison, money and lives could be saved. He understood

**SEN. STAPLETON'S** wish to fund this over a longer period of time, but thought it would become so dilute there wouldn't be results. He wanted to see this program get some money. The question is if they want to build another couple of miles of road, or do they want to get serious in getting drunks off the road.

**CHAIRMAN ZOOK** said he didn't think anyone was saying this isn't a good program. He felt they should spend general fund money up front, instead of waiting until the feds back away like they do time after time. The feds start a program, and then the state is supposed to pick it up down the line.

**SEN. ED BUTCHER** commented they were building layer after layer of good ideas, the government continues growing, and they can't get rid of it when money runs out. This is how government grows--one program at a time.

**SEN. BALES** said he did not want to start another program underneath the district courts. He thought the program should be under the **Department of Corrections** since they are primarily dealing with DUI's. He thought the Department of Corrections should come with a proposal of how to implement it. **CHAIRMAN ZOOK** agreed.

**SEN. COONEY** stated he had a potential conflict of interest. His employer has a contract through the National Highway Transportation Safety Administration and the **Department of Transportation**. They are directly involved in education of impaired driving.

**Vote:** Motion carried 15-4 with **JOHNSON, LAIBLE, SHEA, and TROPILA** voting no.

**Section B:**

**CHAIRMAN ZOOK** advised there was an issue with language dealing with legislative intent for TANF. **EXHIBIT(fcs71a08)**

**Pat Gervais, Legislative Fiscal Division**, explained the subcommittee adopted language that the department could not reduce the monthly cash assistance benefit. There is a process and guidelines to determine whether or not the reduction is necessary. The department is requesting that language in the Narrative be changed to allow them to implement the change in October if necessary.

**SEN. COBB** said with underfunded childcare, they might as well cut the language out and start cutting people July 1st. He stated his intent to try to fund daycare.

**SEN. JOHNSON** asked how much money would be needed to fund daycare.

**SEN. COBB** said to fully fund it would be \$15 million, but he was going to try for \$10 million. This amendment allows not cutting back monthly benefits until December. The department wants to start in September. They will have to cut off up to 25% of the monthly payment to balance the budget. He said he would vote no now to see what happens the rest of the day.

**SEN. STONINGTON** commented TANF is the welfare program--cash benefits, job training, and childcare. If childcare is taken away, mothers who would like to get back to work and are receiving cash benefits can't afford to put their children in childcare and go to work. As the economy has worsened, TANF rolls have increased. Without childcare, a decrease can't happen.

**SEN. MCCARTHY** asked if this was discussed in subcommittee, and if this proposal was against what the subcommittee wanted to do.

**SEN. STONINGTON** advised they acknowledged the way the department manages it's budget is to cut benefits when the projections are going above what they can afford. They try to anticipate that and level those cuts out as much as possible. The subcommittee tried to say average it out, don't cut this precipitously, and try to keep people working at a sustainable job so they can get off welfare. If the date is moved back to October, it is basically saying childcare won't be funded.

**SEN. MCCARTHY** asked if they discussed it thoroughly, and this is against what the subcommittee wanted to do.

**SEN. STONINGTON** said yes.

**CHAIRMAN ZOOK** asked about the bill **SEN. STONINGTON** had about the 10 day emergency rule and how that affects this.

**SEN. STONINGTON** advised it depends on the program. Some reductions occur without any notice. Some require notice through rules, and they have to make an emergency rule to make those reductions in some cases. She wasn't sure which is which.

**SEN. COBB** clarified in this case, they would do rule-making and go through the rule process so there would be notice to people the payments were going to get cut. Under the old welfare system, the federal government used an entitlement program. As people came on, they just kept giving money. When they went to

the block grant, the government only gives Montana \$45 million a year. It works great when caseloads are going down.

**SEN. STONINGTON** said the emergency rule bill got all messed up. Rules were suspended on the Senate floor, and she requested the House do the same, and it never happened. She thought they might want to do some Narrative language along that line.

**SEN. STAPLETON** said Section B always seems ambiguous and vague. He asked if there is a dollar number assigned to what they were trying to do.

**SEN. STONINGTON** said they were talking about language as to when the department can start to do the cuts.

**SEN. STAPLETON** asked how much, and if it is childcare.

**Ms. Gervais** advised because they must live within their block grant and a set level of funding for cash assistance benefits, and the current caseload is at a level they cannot support on their available block grant, the department has proposed reducing the monthly cash assistance payment if this caseload continues. She believed the proposal was to reduce it from \$507 per month to \$375 per month for each family. The total funding in **HB 2** does not change. If the number of families go up, the amount per family would be redefined.

**CHAIRMAN ZOOK** advised a red flag would come up a couple months early for the department.

**SEN. JOHNSON** asked if the \$10 million for childcare would satisfy the problem.

**Ms. Gervais** said in order to maintain childcare funding at the fiscal 2002 level, to offset reductions included in the Executive budget and the inability to transfer federal TANF funds to childcare, about \$15 million would be needed. \$10 million would take them about 2/3 of the way.

**SEN. MCCARTHY** said the single mother who has a child going to daycare would now no longer have support for the months of November and December under the proposal. With what **SEN. COBB** is saying, they would at least be able to get that child to Christmas where they could make other arrangements.

**Ms. Gervais** advised the language addresses the reduction in the cash assistance benefit, and does not address the availability of childcare funds. If families do not have childcare, their ability to go to work is decreased and a higher caseload results.

The language, instead of allowing the department to implement a reduction in the monthly cash assistance payment in December, would allow them to implement that reduction as early as October.

**SEN. MCCARTHY** asked if **SEN. COBB** would get the child through to Christmas.

**Ms. Gervais** said the department already began a waiting list for childcare benefits, and is working at a gradual decline in the number of families receiving childcare. It would depend upon a family's individual circumstances whether or not they would continue to receive childcare, and whether or not further changes were made in the eligibility for the childcare program.

**CHAIRMAN ZOOK** asked if the department has to wait until December, if the reductions would be more at that time.

**Ms. Gervais** said that is one of the concerns the subcommittee discussed. The department wants enough latitude to not have to make a real dramatic change, and would rather be able to do a slight decrease and perhaps a smaller reduction sooner rather than a large reduction later. That is the challenge the department faces in managing this.

**SEN. COBB** advised if daycare is not funded, 1000 to 1600 families come back onto welfare. As they come back onto welfare, there is a set amount of money to be proportioned per person. That is where amounts are reduced. If they are going to crash the system, they have to figure out how to do it.

**SEN. MCCARTHY** said basically, they are reducing funds in October, whereas the other way, they are reducing funds in December.

**SEN. COBB** said it is contingent upon daycare. Funding daycare might work to lower caseloads. At some point, if it's not working, they'll have to do the cuts. This might be premature, because if no daycare is funded, all the language needs to be struck. There would be no use waiting until October, they could just start doing it.

**Ms. Purdy** remarked this is not legal language in **HB 2**. It is intent language in the Narrative. What would prevail under the circumstance, is what statute allows the department to do. Statute allows the department to make that reduction at any time during the year. This language is presenting to the department what the legislature's preference is.

**Ms. Gervais** agreed it is simply intent language in **HB 2**. This would be a rule change the department would have to proceed with.

**CHAIRMAN ZOOK** advised statute prevails over language in **HB 2**.

**Motion/Vote:** Motion to modify language failed on a voice vote.

**SEN. COBB** explained in the House, they funded domestic violence prevention with general fund, but it showed up as part of the Prevention and Stabilization Account. A clean-up amendment is needed to strike the money from the Prevention and Stabilization Account. It is about \$77,641 each year. {Tape: 2; Side: B} A handout explained what is in the account. **EXHIBIT(fcs71a09)**

**Motion/Vote:** Motion to amend HB 2 to strike domestic violence from the Prevention and Stabilization Account carried unanimously on a voice vote.

**Motion:** **SEN. SCHMIDT** moved that HB000214.ATY BE ADOPTED.  
**EXHIBIT(fcs71a10)**

**SEN SCHMIDT** advised the amendment reduces the general fund within the **Youth Challenge Program** by 25%. They heard quite a bit about the **Challenge Program** in the **Corrections** subcommittee. Staff found out the feds would still support the program with less than 100 graduates, but would require the state to target 100 graduates per class. They would reduce the federal funding level accordingly to maintain the 60/40 federal split. After hearing that, she decided the Youth Challenge program needs to be lean and mean like every other program. They could still do the same number of students, but not at the same level of state funding they were requesting. One of the programs cut in Section B is the complete elimination of the MIAMI project. She noted the cost of two premature newborns could easily be \$300,000. She thought the MIAMI project was an important prevention program. The Challenge Program would remain the same, but receive less funding.

**SEN. BILL TASH** spoke against the amendment. He had been involved with the **Challenge Program** and had seen the results of it. The amendment would compromise the funding balance. He acknowledged the high cost per student, but held there is a significantly higher cost associated with placement in the penal system. What they have accomplished with this program can be quantified. It is difficult to quantify the results of preventative programs.

**SEN. STAPLETON** said he didn't disagree with keeping other programs lean. He asked the meaning of "poor pregnancy outcomes".



**SEN. SCHMIDT** said babies that are born abnormally or at a low birth weight require intensive care. The cost of neonatal intensive care may be as much as \$3000 per day. This is getting women that are high risk into prenatal care early to prevent these high neonatal costs in the intensive care units. The MIAMI project addresses and works with women that are at high risk to prevent early births.

**CHAIRMAN ZOOK** asked if **SEN. COBB'S** bill put over \$1 million into MIAMI.

**SEN. COBB** advised that would be amended on the floor of the Senate. The administration told him they would prefer to take the money and put it in the base. His intent would be to fund MIAMI and the drugs for the mentally ill on the floor with a little left over for some other things.

**SEN. DEBBIE SHEA** noted this was her last session, and the last time she would have to listen to a hit on this outstanding program. This is one of the most successful programs the legislature has had the opportunity to participate in and be a part of. She advised anyone on the committee who hasn't visited the program, participated in a graduation, or seen the product, needs to make a point of doing that. The program is a bonus to the community of Dillon. She pointed out the numerous programs that have helped Great Falls. There are many long lasting effects from cutting the program.

**SEN. COONEY** agreed with **SEN. SHEA**. He thought it was a shame to be in a situation of pitting two good programs against each other. MIAMI is a good program, and it would only take 3-5 pre-term labors to spend that kind of money. If those problem pregnancies can be prevented, taxpayers will be saved huge sums of money. Both programs deserve support.

**SEN. LINDA NELSON** asked **SEN. SCHMIDT** if this fully funds the MIAMI program. **SEN. SCHMIDT** said it doesn't fund it completely.

**SEN. NELSON** said if they take the money from the **Challenge Program** and put it here, they will probably still come up with the money for the **Challenge Program** somewhere else.

**SEN. BUTCHER** asked how many participants in the MIAMI program.

**Maggie Bullock, Health Policy and Services Division, DPHHS,** advised there are about 1500 women a year that participate. They also contract with six of the seven tribes for this program.

**SEN. BUTCHER,** asked about total numbers on the reservation.

**Ms. Bullock** guessed about 250-300 on the reservations.

**SEN. MCCARTHY** asked if there is any federal money that comes in for the reservations.

**Ms. Bullock** advised the MIAMI program is from general fund, but there is a complementary program funded through the maternal and child health block grant. They used those federal funds, and are trying to land other services these women can use.

**SEN. MCCARTHY** asked how an individual gets into the MIAMI program.

**Ms. Bullock** advised the women are referred sometimes by an obstetrician, the county offices, etc.

**SEN. BALES** asked about why they were reducing special revenue by about \$280,000.

**Ms. Purdy** said the amendment is replacing half that funding with general fund.

**SEN. BALES** asked what happens to the state special revenue money.

**Ms. Purdy** advised the PSA account is unfunded currently. It is an account that was set up in the event the money could be put into the account.

**SEN. BUTCHER** asked for more detail about the services provided in the MIAMI program.

**Ms. Bullock** said women are advised on good nutrition, not to smoke, etc. The advice is coming from nurses, typically public health nurses. They are trying to get these women to doctors for appropriate medical care. It is typically low income women that take advantage of this program. It can lower costs down the road.

**SEN. BUTCHER** said he had a problem seeing the statistical connection. He wondered how many quit smoking, or actually change their diet. It sounded like a great program, but he wondered about statistical results. He felt county health nurses were available as part of their normal function within county health departments. He wondered if the program deals with first pregnancy low-income women, because a woman who had at least one child was probably already on the WIC program, etc. He was concerned about redundancy.

**Mr. Bullock** said the other side of that argument was brought home by testimony from those who had been recipients of the services through MIAMI and those providing services. This is a huge support network for these women, and they are not just women who are having their first baby. Some are in very rural areas.

**SEN. COBB** advised there is some money in the Stabilization account. **HB 722, HB 743, and SB 45** add up to \$13.3 million. He and **SEN. STONINGTON** are looking at other ways. The Stabilization account funds all these programs except the daycare. If they get to the base, they can fund with 146 money, but if it all falls apart, they have to go back to this amendment.

**SEN. STONINGTON** asked if the amendment were to pass, would it alleviate the demand on the Prevention and Stabilization account. She pointed out she learned the women in the MIAMI project are women who are at risk for a low birth weight baby. They are referred to public health nurses generally, for instruction on how to have a healthy baby, and how not to have a baby that is put into intensive care, etc. These are poor women who otherwise are going to be on the public dole for extensive hospitalization costs. According to public health nurses across the state, it has been a highly successful program.

**CHAIRMAN ZOOK** advised both programs deal with at-risk situations, and they are right in the middle of two subcommittees. One didn't fund this particular program, and the other funded their program.

**SEN. MCCARTHY** stated if this amendment was successful, it doesn't take all of the money from the **Challenge Program**, it takes a percentage. No one seemed to get into the discussion of how much that would reduce the enrollment.

**SEN. TASH** said there is a baseline they have to establish. If it is reduced by a certain amount, it compromises the program to where it is no longer viable.

**SEN. MCCARTHY** asked **General Randall Mosley, Department of Military Affairs** what affect the reduction would have on the program.

**General Mosley** advised a 25% reduction would have a devastating effect on the **Challenge Program**. It would not only remove the general fund, it would make the federal match go away. **{Tape: 3; Side: A}**

**SEN. SCHMIDT** said they heard about the **Youth Challenge Program**, and it is a good program. She pointed out a staff person found

out from the National Guard Bureau in Washington, DC, that they would reduce the federal funding level accordingly to maintain the 60/40 federal and state split. The program would have to maintain 100 graduates. She said she appreciated both programs.

**Vote: Motion failed 6-13 with COONEY, JOHNSON, NELSON, SCHMIDT, STONINGTON, and TESTER voting aye.**

- recess 10:03 a.m. -
- reconvene 11:13 a.m. -

**Section A:**

**Motion: SEN. COBB moved that HB000232.ALZ BE ADOPTED.**  
**EXHIBIT(fcs71a11)**

**SEN. COBB** explained the amendment adds \$1.8 million to the Judicial Branch for a projected shortfall associated with state assumption of district courts. He explained the budget status of the Judiciary. **EXHIBIT(fcs71a12)** The money is all in personal services, and they would like to be funded at the level it actually costs to run the court system.

**CHAIRMAN ZOOK** advised they've had a subcommittee doing a lot of work on this, and he would defer to them.

**SEN. ESP** thought the courts need more money to make this work, but he was not sure of the amount. He advised holding off until they get through the process. **SEN. COBB** asked if he had any idea, or if it is still unclear. **SEN. ESP** explained they haven't figured out where they are going.

**Vote: Motion failed 17-2 with COBB and TESTER voting aye.**

**SEN. COBB** advised he was passing out what he and **SEN. STONINGTON** worked out on Section B. **EXHIBIT(fcs71a13)**

**Section C:**

**Ms. Purdy** advised **HB000225.agh** was an amendment the committee passed on the recommendation of **Greg Petesch, Legislative Services**, and it is language in the natural resource agencies that the legislature was essentially authorizing the agencies to reduce state special and increase federal funding. **Mr. Petesch** took the language out. There was an amendment to **SB 86** that dealt with this in statute. Because it was dealt with in statute, this language needs to come back in. **EXHIBIT(fcs71a14)**

**Motion/Vote:** SEN. TASH moved HB000225.AGH BE ADOPTED. Motion carried unanimously.

**Motion:** SEN. STONINGTON moved that HB000217.ATY BE ADOPTED. **EXHIBIT**(fcs71a15)

SEN. STONINGTON explained the amendment allows the **Research and Commercialization Board** to use the funds appropriated by the legislature for grant monies for administrative costs. If approved, a committee bill will be needed giving them statutory authority. The amendment will backfill the **Montana Arts Council** to the Executive budget level with an additional \$22,543 in FY 2004 and \$23,709 in 2005. The amendment results in a general fund savings of \$130,895.

**Discussion:**

SEN. MCCARTHY asked where the money was taken from.

SEN. STONINGTON stated there is currently a general fund appropriation of \$80,804 and \$88,343 to fund the administrative costs of the **Research and Commercialization Board** in **HB 2**. The amendment would take that general fund out, give a portion of it to the **Arts Council**, and leave a savings of \$131,895 for the general fund.

SEN. MCCARTHY asked which section, and SEN. STONINGTON identified C-12, line 13. If a committee bill does not pass giving statutory authority to allow them to use the funds for administrative purposes, the general fund stays in place.

CHAIRMAN ZOOK commented it seemed like a pretty good trade.

SEN. ESP asked if there is a federal match requirement, and SEN. STONINGTON replied no. She further commented that **HB 177** was going to eliminate funding for Research and Commercialization. At the time the bill was presented, the subcommittee removed a portion of administrative expenses for the **Board of Research and Commercialization**. There are two people running the board, and they will still have to administer existing grants. The administrative money was reduced from \$125,000 to \$88,000 a year in **HB 2**. If they are given statutory authority to do the administrative work out of the grant monies, they still need those two people. Currently in **HB 2**, there is only authority for one FTE, and the **Department of Commerce** would expect to have authority for two.

**SEN. LAIBLE** asked if instead of paying administration out of the general fund, if it will be paid out of grant money. He wondered what the **Research and Commercialization** section does with that money.

**SEN. STONINGTON** explained there was a **Board of Research and Commercialization** created. There was controversy over how the grant money should work. Initially, a lot of it was going to the **University Systems** to match IBS-CORE grants. Those grants are National Science Fund/Defense Department grants and have a high federal/state match. The legislature thought there should be an independent board to review grant proposals from a variety of locations. There was to be emphasis on commercialization, and 20% of the grant monies are stipulated to go to agricultural research. The board is a private volunteer board with two staff members. The administrative money pays for the two staff members. The board members view grant proposals and make grants for research around the state. That money is a statutory appropriation that has been approved in **SB 215**. The amendment would pay for administration out of that statutory appropriation.

**SEN. LAIBLE** asked if this affects the grant monies to the **University** at all.

**SEN. STONINGTON** said the administrative monies would be coming out of the grant money, and part of the research and commercialization money goes to the University research.

**SEN. JOHNSON** asked if this reduces the amount of economic development effort that was the purpose of the research and commercialization. He recalled the reduction in the special session.

**SEN. STONINGTON** said it would be reduced by \$88,000 per year.

**SEN. JOHNSON** asked what amount of money will currently be in research and commercialization.

**SEN. STONINGTON** advised \$3.6 million.

**SEN. JOHNSON** said this bill affects not only Section C, but Section E. He asked if they would vote on the motion as one item.

**Ms. Purdy** advised they can handle any amendment that impacts a number of sections to decide an entire policy question.

**CHAIRMAN ZOOK** advised there would be amendments that handle multiple sections.

**Vote:** Motion carried 15-4 with BALES, BARKUS, BUTCHER, and LAIBLE voting no.

**Motion:** SEN. STAPLETON moved that HB000210.ATP BE ADOPTED.  
**EXHIBIT**(fcs71a16)

**SEN. STAPLETON** advised the amendment addresses each of the sections, and includes general fund reductions in several agencies. They went through all the agencies line by line, and expenditure by expenditure. Not all areas of expenditure are included, but he included areas where he felt some savings could be made, such as cell phones, newspaper advertising, etc. For agencies with no general fund, they reduced the amount from state special revenue. The overall savings would be about \$6.08 million over the biennium.

**Discussion:**

**SEN. STONINGTON** asked if he looked just at numbers or at the reasons for use by the agencies.

**SEN. STAPLETON** said when he first went through, it was a real thick list. Originally, he picked things that made sense to him. He asked the **Legislative Auditor** to de-conflict anything he misunderstood, and they came up with the percentages. {Tape: 3; Side: B}

**SEN. STONINGTON** thought it was fine to look at cell phone expenses or newspaper advertising, but thought it would be cutting down the tools needed to provide services. She thought it would be important in each case to find out who is spending that money and why, and what it means to cut it. When massive across the board cuts are made, the same services are expected to be provided without the tools. She thought it needs a deeper examination. She wondered how far he went with it.

**SEN. STAPLETON** advised even with all the cuts, overall spending in government will increase. They tried not to touch services or programs, although he will continue to be an advocate for eliminating programs instead of funding them partially. He felt these categories were realistic things people expected them to cut. He understood the resistance to taking out \$6 million, but he thought it was better than an across-the-board cut. He felt these were things that were innocuous and could be done without.

**SEN. KEENAN** thought it wrong to characterize this as a massive across-the-board cut. This is along the lines of surgery within the budget that has been talked about. He was sure they would be hearing from the agencies about the cuts, and they can be addressed in Free Conference Committee or on the floor.

**SEN. MCCARTHY** said her objection is it negates work by the subcommittees. The **Board of Public Education** has a small budget, and taking \$5000 out would probably reduce two or three meetings per year, which makes them ineffective as far as their constitutional responsibilities. That is why she strongly objects to any across the board cuts. She didn't think the subcommittee put any extra money into that budget at all, and she would strongly oppose the amendment.

**SEN. STAPLETON** said he didn't disagree, but in his line of work as a manager of an insurance company, they have reduced the number of meetings they have threefold. He thought the people expect government to tighten it's belt.

**SEN. MCCARTHY** said she was talking about the **Board of Public Education** is a separate entity. She didn't feel they would be able to function.

**SEN. LAIBLE** observed that when they got **HB 2** from the House, there was a 1% across the board reduction. That amount was reinstated, because it was unspecified. This is about a 2% across the board cut for the biennium.

**SEN. STAPLETON** advised the **Board of Public Education** general fund actual expenditures for travel in 2002 was \$20,716. His proposal is a \$1000 reduction.

**SEN. LAIBLE** commented in their subcommittee, they took off \$500,000 in unspecified reductions in the Governor's office. Now there is \$640,000, and \$140,000 of that is specified reductions.

**SEN. SCHMIDT** advised the deepest cuts are to **DPHHS** of over \$1 million. The reduction to **the Department of Corrections** is \$718,000 each year of the biennium. Both of these are agencies that have people out in the field. She asked if either agency would like to comment.

**Gail Gray, Director, DPHHS**, declared the department has gone through ten different cuts during the last two years. They made massive cuts, and every time a dollar of general fund is cut, about \$2 more is cut when the match is considered. Instead of a \$1 million reduction, it is a \$2 million reduction. They just finished a reduction in the number of cell phones. She didn't think there had been as much anger at her about a decision, as there had been about cell phone use. They looked at cell phone usage and eliminated anyone that had used less than seven minutes a month. Sixty cell phones were cut in **Child and Family Services**. She said she didn't disagree with the categories selected by **SEN. STAPLETON**, but they had already done it. They



didn't reduce safety related areas as much, but they still had reductions.

**SEN. COONEY** asked if **SEN. STAPLETON** found no cuts in the Legislative Branch.

**SEN. STAPLETON** said not all agencies were cut, such as MSDB, travel by the **Department of Agriculture**, etc. The Governor's office and the legislature were not, because they were specifically targeted in other places.

**SEN. COONEY** was curious about dues in the Governor's office to the National Governor's Association and the Western Governor's Association. He asked if the cuts will be such they will be unable to participate.

**SEN. STAPLETON** said there was a chance over this biennium that several things will not get funded. Dues were reduced by approximately 20%. General fund expenditure in 2002 were \$56,250. The reduction with his proposal would take away \$11,300.

**SEN. COONEY** asked how the Governor's office might absorb that in their dues. He wondered if the Governor would be prevented from participating in either association.

**Chuck Swysgood, Office of Budget and Program Planning** said there was a strong possibility.

**SEN. COONEY** acknowledged the time and effort **SEN. STAPLETON** had put into the amendment. He noted advertising, newspaper, postage, and mailing can look frivolous to some, but there are agencies that have to meet certain legal requirements in publishing legal notices, or requirements to mail things out. Some agencies have utilized temporary services in an effort to try to reduce the amount of money they're spending on personnel. He expressed concern about agencies meeting their statutory requirements. He did not think that was **SEN. STAPLETON'S** objective, but wondered if they may not be getting there.

**SEN. BUTCHER** commented about advertising by agencies that is not statutorily required, but is just propaganda. Some of it is public service. He wondered if some of that frivolous advertising had been identified.

**SEN. STAPLETON** indicated there were about 8-10 line items in advertising. He didn't get to that depth. He noted there are government and quasi-government radio ads. He characterized himself as a fiscal conservative, and used an analogy of a Trojan

horse coming into Helena to describe trying to address advertising and government advocacy. He thought the 25% is realistic, and agreed with **SEN. BUTCHER'S** thoughts.

**SEN. ESP** asked about temporary services in **DPHHS**.

**SEN. STAPLETON** advised the fiscal 2002 expenditures for temporary services were \$419,000. This reduction would be \$82,000 or about 20%.

**SEN. ESP** asked **Director Gray** about the use of temporaries.

**Director Gray** said one was when they were short of help. The institutions are what costs the most. When they can't hire nurses, they have to hire travel nurses. They cannot wait to hire nurses, because those are 24/7 institutions.

**SEN. ESP** asked about their advertising budget.

**Director Gray** advised they have 2800 employees, and some of that is advertising for filling positions. There are legal requirements and a lot of administrative rules. A lot of public health programs have public service announcements and public information. Those are funded out of federal funds.

**SEN. COBB** asked **Director Swysgood** if he wanted to comment, or if he was in favor of Plan B.

**Director Swysgood** observed the reductions are predicated on the 2002 base. Those that have had their budgets reduced below the Governor's budget with unspecified reductions will probably take a double hit. It will put a severe strain on the Governor's office.

**SEN. COBB** said the issue is if they are going to go to the Governor's budget and then did this, it was okay. If they are not going to the Governor's budget, it is double cutting. Sooner or later, they have to get to the Governor's budget.

**SEN. SCHMIDT** asked why there were no cuts to the Legislative Branch.

**SEN. STAPLETON** said he didn't want to get into that battle, and pointed out the feed bill was cut. He said he was coming forth with the reality side of what a lot of members on the committee were doing in trying to spend money. These are his ideas, and cutting the legislature further may be a different issue. He said he has several amendments to eliminate programs or cut spending, and he sees that as this committee's job.

**SEN. SCHMIDT** thought the legislature should be cut as well. She noted some advertising is statutorily required, and she wondered if that had been taken into account.

**SEN. STAPLETON** said absolutely. He said this is a useful tool, if not legislative intent, for every single agency to continue to evolve with the times, whether it is capitalizing on efficiencies of scale, new technologies, using the internet where applicable, or not making copies when something can be scanned or pulled up on a screen. It gives legislative intent that no new office equipment is purchased for the next two years. He thought those were reasonable expectations. He agreed these are on top of other reductions, but these are targeted, surgical cuts, and he did not think there is a shortage of governmental advertising.

**Vote:** Motion carried 10-9 with **COBB, COONEY, MCCARTHY, NELSON, SCHMIDT, SHEA, STONINGTON, TESTER, and TROPILA** voting no.

**SEN. JOHNSON** advised he had a bill about the way gambling funds are collected. Gambling collections come on a quarterly basis from the operators to the department. The bill would change it from a quarterly collection to a monthly collection, and would add \$8 million before July of 2004. It doesn't add taxes or concern the general fund, it just gets the state \$8 million more.

- recess 12:05 p.m. -
- reconvene 5:16 p.m. -

**Motion/Vote:** **SEN. STONINGTON** moved TO ADOPT A COMMITTEE BILL TO PUT AN AMENDMENT HB000217.ATY INTO EFFECT. Motion carried unanimously.

*{Tape: 4; Side: A}*

**Section C:**

**Motion:** **SEN. COONEY** moved that HB000236.AGH BE ADOPTED.  
**EXHIBIT**(fcs71a17)

**SEN. COONEY** advised the amendment adds state special revenue authority of \$253,499 in FY 2004 and \$258,069 to the **Department of Environmental Quality** to implement a portion of **SB 107**, which has been passed and approved.

**Vote:** Motion carried unanimously.

**Motion:** **SEN. KEENAN** moved that HB000208.ATP BE ADOPTED.  
**EXHIBIT**(fcs71a18)

**SEN. KEENAN** advised this would amend Boilerplate and Sections B, C, D, and E. The amendment is a direct appropriation from the coal severance tax trust fund account with contingent voidness if **HB 2** does not get 75% of the votes in both Houses.

**SEN. COBB** said he understood what **SEN. KEENAN** was doing, but thought they weren't going to do big money bills today.

**CHAIRMAN ZOOK** advised it is a contingent voidness.

**Substitute Motion:** **SEN. COBB** moved to segregate every one of the amendments to be voted on separately.

**CHAIRMAN ZOOK** said **SEN. KEENAN** has tied it to a source.

**SEN. COBB** said he understood that, and did not want to get into an argument over it. They weren't going to deal with big amounts, and if they are he just wants to segregate each one.

**SEN. STONINGTON** asked if they pass this amendment and **HB 2** does not get a 2/3 vote, if this all goes away. **SEN. KEENAN** said that is correct.

**SEN. COBB** again said he wanted to vote on each one.

**SEN. BALES** asked if they are separated, does Section 1 have to be added to each one of them.

**Ms. Purdy** advised whichever ones pass, they eventually need to pass the first part. The language would be changed to reflect the ones approved.

**SEN. COONEY** asked **SEN. KEENAN** if the amendments are approved, **HB 2** gets the 75 votes, and the money is taken out of the coal trust, is there any proposal to pay back this money. **SEN. KEENAN** said no there is not. **SEN. COONEY** said this is basically busting the trust and taking the money out of the trust. **SEN. KEENAN** said that is correct.

**SEN. STONINGTON** asked how much when it's added up.

**Ms. Purdy** indicated \$79.3 million.

**SEN. COBB** said the amendment for childcare will eliminate 5000 children from daycare and 2900 families from the childcare program. This will add about 1600 more families to the TANF welfare system, and wipe out about 600 childcare facilities in the state.

**SEN. KEENAN** asked if he meant from the full funding of \$15 million.

**SEN. COBB** contended a minority is being asked to do something the majority can't ask of them. This isn't going to happen, and **HB 2** has never passed on a 3/4 vote. If it's not going to happen, they are basically cut.

**SEN. KEENAN** advised this is not a cut, this is a last resort amendment.

**SEN. COONEY** expressed concern about taking an important vote when several people were missing.

**CHAIRMAN ZOOK** indicated they had proxies.

**SEN. COONEY** asked if there were proxies for Democrats, and he was assured there were.

**SEN. STONINGTON** asked **SEN. COBB** why he wanted to segregate the amendments. She did not think it was a very worthwhile exercise.

**SEN. COBB** indicated they were told they weren't going to do big money things. The first one out was this big amendment which would use the coal trust which isn't going to pass. If they don't want to vote on segregation that's fine, but if they are going to do it this way, he will drag it out.

**SEN. KEENAN** withdrew his motion.

**Motion:** **SEN. STONINGTON** moved that **HB000225.ALZ BE ADOPTED.**  
**EXHIBIT**(fcs71a19)

**Section E:**

**SEN. STONINGTON** said **HB 226** uses a portion of MTAP money to fund the **School for the Deaf and Blind**. There was a bargain struck that for this biennium only, the ending fund balance of the MTAP program money could be appropriated. The bill was written so it was good for this biennium only, and this amendment makes the appropriation a one-time-only appropriation so that money is not built into the base for the subsequent biennium.

**Vote:** Motion carried unanimously.

**Section C:**

**Motion:** SEN. SHEA moved that HB000227.AGH BE ADOPTED.

**EXHIBIT** (fcs71a20)

SEN. SHEA explained she served on the **Natural Resource Committee** along with SEN. NELSON, TASH, and BUTCHER. This amendment would restore 2.92 FTE's. These were seasonal positions that were eliminated because they had been vacant six months. Without these positions, fishing access sites will suffer. There is no general fund.

**Discussion:**

SEN. TASH advised when this came up in Section C in **Appropriations Subcommittee** it wasn't considered something to be funded at that time because of the vacant positions. **Fish, Wildlife, and Parks** has 22 vacant positions and some of these are temporary. They felt it better not to add this in and build their base. They should do a better job with their positions. Vacant positions as of January 30, 2003 were 23.02 permanent, and 5.79 seasonal for a total of 28.81 vacant positions. He spoke against the amendment.

SEN. STONINGTON asked how those vacancies are determined.

SEN. TASH said it is from the snapshot, but is also indicative of how hard it is to track **FWP**. He knew there is a need in the summertime, but there is a lot of volunteer effort. The snapshot was January 30, 2003.

SEN. STONINGTON asked how many positions the subcommittee reduced.

Gary Hamel, **Legislative Fiscal Division**, testified the original motion in subcommittee was to remove 20 vacant FTE that were vacant over a period of seven months or longer and funded under the general license account. The department provided a prioritized list of 9.28 FTE that would meet the criteria of reducing positions that were over seven months vacant. The 2.92 were among those 9.3 FTE's.

SEN. NELSON spoke for the amendment because these were seasonal employees. They are the ones that clean the toilets and dump the garbage, etc. It seemed to her if they are expecting people to come into the state, facilities need upkeep. She didn't think it's that much, and she hoped they would support it.

SEN. STONINGTON spoke in favor of the amendment. She was distressed to see they were cutting FTE's from **FWP** which are not

general fund. These people are needed to do the jobs **FWP** is required to do. She thought the fishing access positions were important jobs.

**SEN. SHEA** said she would hate to think they were leaving maintenance of fishing and access sites to volunteers, because that is haphazard at best. This is not something that could be left to volunteers and expect the quality they would like.

**Vote:** Motion failed 9-10 with **COBB, COONEY, MCCARTHY, NELSON, SCHMIDT, SHEA, STONINGTON, TESTER, and TROPILA** voting aye.

**CHAIRMAN ZOOK** advised all subcommittees did the same thing. If they were extended vacant positions, they were eliminated.

**SEN. JOHNSON** advised he found out from the **Legislative Fiscal Division**, he can't do the bill he spoke of earlier because the money is already in the revenue estimates for 2004 and 2005.

**Section D:**

**Motion:** **SEN. COONEY** moved that **HB000232.ALT BE ADOPTED.**  
**EXHIBIT** (fcs71a21)

*{Tape: 4; Side: B}*

**SEN. COONEY** advised the amendment gives the **Department of Justice Motor Vehicle Division** the authority to expend state special revenue on passage and approval of **HB 557**. There is no general fund and the amendment will allow the development of an organ donation registry system.

**SEN. STAPLETON** asked if there was any funding in the bill.

**CHAIRMAN ZOOK** said it was one of those bills that said the funding must be in **HB 2**.

**Vote:** Motion carried unanimously.

**Section E:**

**Motion:** **SEN. STONINGTON** moved that **HB000242.APJ BE ADOPTED.**  
**EXHIBIT** (fcs71a22)

**SEN. STONINGTON** said at the beginning of committee action on **HB 2**, **SEN. KEENAN** carried an amendment to remove some language that was appropriating money to the **University System** that was contingent on relief money coming through. The way the

amendment was written took it out of the lump sum and that was never the intention of the amendment. This amendment makes \$7,800,000 contingent entirely on relief money coming from the federal government to states for the fiscal crisis all states are currently experiencing. \$30 billion would be provided to the states and Montana would get \$74 million, half of which would be required to go to Medicaid and the other half unrestricted. The amendment would designate \$7.8 million to various parts of the **University System**.

**SEN. ESP** asked if the unencumbered funds could be used for a Medicaid match or some other programs.

**SEN. STONINGTON** said half would be required to Medicaid, and the other half would be unrestricted.

**SEN. ESP** said asked about using the \$7 million plus in human services.

**SEN. STONINGTON** said this money is a long shot. She didn't want those services dependent on a long shot, and those need to be funded immediately. If this happens, the **University System** has taken a pretty good whack. This would give some adequate funding to some of the programs, and significantly reduce the need for increased tuition.

**SEN. ESP** asked if the subcommittee increased the Ag Experiment Station budget.

**SEN. JOHNSON** said he thought it was brought up to the Governor's budget. The **University System** is still about \$5 million below the Governor's budget.

**SEN. ESP** asked if the money is not appropriated, does it mean it can't be spent.

**Director Swysgood** indicated it would depend on how the money came to the state from the federal government. If it came designated for Medicaid, it could be expended through the Executive amendment process. If it is unrestricted, there is a question if it could be spent.

**SEN. JOHNSON** said this is allocating funds that might be allocated differently in a year or two years from now. He didn't think they should assign the funds. This all goes into the general fund when it comes in, except for the 1/2 that has to go to Medicaid. If that much money comes in, maybe it could pay for a week of special session.



**SEN. STAPLETON** said the amendment is contingent upon receipt in the 2005 biennium, and asked **SEN. STONINGTON** when she anticipates those funds.

**SEN. STONINGTON** said this may come up in May in Congress, and there may not be any money sent out to the states. The amendment refers to the state's biennium. The federal government operates on an annual budget. It would occur sometime between July 1, 2003 and June 30, 2005.

**SEN. STAPLETON** asked if it is tagged for general fiscal relief because of the three year recession. **SEN. STONINGTON** said that was her understanding. **SEN. STAPLETON** agreed with **SEN. JOHNSON** that if it is for general fiscal relief, and it is needed in the future, these unencumbered funds may very well be needed in these programs. A year or two from now, these funds might best be used in other, more vital programs. He would resist this amendment.

**SEN. MCCARTHY** asked the Budget Director if this type of unencumbered windfall came to the state, would his recommendation be a special session to spend the money.

**Director Swysgood** didn't think he would ever recommend a special session.

**SEN. MCCARTHY** asked if they needed authority to spend it in the any areas.

**Director Swysgood** explained if it comes in unrestricted, without any designation other than at the state's discretion, it would take some authorization from the legislature to spend that money.

**Vote:** Motion failed 9-10 with **COBB, COONEY, MCCARTHY, NELSON, SCHMIDT, SHEA, STONINGTON, TESTER, and TROPILA** voting aye.

#### Section D:

**Motion:** **SEN. SHEA** moved that HB000215.ATY BE ADOPTED.  
**EXHIBIT** (fcs71a23)

**SEN. SHEA** explained the Executive budget originally requested eliminating one service officer and potentially reducing another 2.5 FTE's. The subcommittee tacked on another reduction of one FTE. There are serious consequences, and the potential for closing one veteran's service office. This amendment would put the **Veteran's Affairs Division** at the Executive budget level, one-time-only, for FY 2004, with contingency to extend the Executive budget into FY 2005 if **SB 401** does not pass.

**CHAIRMAN ZOOK** said the amendment should not be necessary if the bill passed in the House.

**SEN. SHEA** said it's necessary for 2004, but not 2005.

**Vote:** Motion failed 8-11 with **COONEY, MCCARTHY, NELSON, SCHMIDT, SHEA, STONINGTON, TESTER, and TROPILA** voting aye.

**Motion:** **SEN. STAPLETON** moved that HB000233.ALT BE ADOPTED.  
**EXHIBIT**(fcs71a24)

**SEN. STAPLETON** said the amendment would restore the subcommittee action of eliminating a bureau in the **Department of Justice**, and at the same time restore two attorney positions in the **Legal Services Division** that were eliminated earlier because they were vacant. The net result would be \$318,000 into the general fund over the biennium. Statutorily, there needs to be someone called the **Fire Marshall**. Five of those positions were restored in the House, but they didn't get rid of the new computer crime lab. He supported the computer crime lab staying in. They didn't address putting these two attorney positions back in subcommittee, but it is something the department desires.

**CHAIRMAN ZOOK** asked how long the attorney positions had been vacant.

**Lorene Thorson, Legislative Fiscal Division**, indicated those positions had been vacant over six months.

**Larry Fasbender, Director, Department of Justice**, advised because of the need for vacancy savings, those positions were held open in order to not have to go into other divisions in the department to make up those losses. In the **Appellate Division**, cases must be dealt with in the field, and there are certain time lines as far as the court is concerned. When those positions became vacant, they were left open for vacancy savings. The department has a very low turnover, and had no vacancy savings at that point. The other area it took place was the **Prosecution Services Bureau**. That position was held open because that was the first turnover they had in that bureau for some time. With the intent to get some of the vacancy savings, they left those open for a six month period. By taking those away, the 4% vacancy savings will be taken out of some other part of the division, because those positions are needed.

**CHAIRMAN ZOOK** asked if these positions were in the Governor's budget. **Director Fasbender** replied they were.

**SEN. BALES** was on the same subcommittee, but did not favor eliminating the **Fire Prevention and Investigation Bureau**. His concerns were with the need in rural Montana.

**SEN. TESTER** asked about the potential of insurance premiums going up.

**SEN. STAPLETON** said it didn't come up much in subcommittee. They kept 2.5 investigators. There are only 30-50 cases a year, and even if it takes a whole week to investigate, one person could do that. They did not reduce the investigations bureau and kept intact what was testified as being necessary. He thought the program was best served at local levels rather than in Helena, whether it's forest fires or fires in Two Dot. The local fire departments can do the yearly walkthrough in the schools, etc. He thought the program could be legitimately done away with.

**SEN. JOHNSON** asked for someone in the bureau to comment.

*{Tape: 5; Side: A}*

**Director Fasbender** said no one was present from the bureau. The volunteer fire departments across the state, especially in rural areas depend on them for information. A uniform fire code has been adopted in a number of cities, and that is handled at the city level. In the rural areas, where most of the volunteer fire departments operate, they don't have that kind of expertise.

**SEN. JOHNSON** asked if he had visited with them about the situation.

**Director Fasbender** indicated a lot of discussion took place. Those in rural fire departments became involved. Three positions were not restored.

**SEN. JOHNSON** said the amendment eliminates the bureau and the remaining 5 FTE's. He asked if that leaves 3, after the remaining 5 are eliminated.

**Director Fasbender** said it leaves 2.5 positions which will be moved to the Investigation Bureau. The five people are deputy fire marshals in regions across the state.

**Vote:** Motion carried 10-9 with **BALES, COONEY, ESP, MCCARTHY, NELSON, SHEA, STONINGTON, TASH, and TROPILA** voting no.

**Motion:** **SEN. SCHMIDT** moved that HB000229.ALT BE ADOPTED.

**EXHIBIT** (fcs71a25)

**SEN. SCHMIDT** explained the amendment adds \$492,873 general fund to County Attorney payroll in the **Department of Justice**.

**CHAIRMAN ZOOK** asked the department to comment.

**Director Fasbender** advised the law requires the state pay half of county attorney salaries. There is another section in the code that stipulates if money is not appropriated for them to pay half, they would only pay the amount appropriated. In the last session, the department was not appropriated enough to pay the half. When the legislature created the County Compensation Boards, it fell to the counties to set the salaries of the county attorneys. In some cases, they set those salaries in an amount that exceeded the amount appropriated by the last session of the legislature. The amendment proposed by **SEN. SCHMIDT** is the amount anticipated to be set for the salaries of county attorneys. The department contacted every county in the state requesting information. The amount would pay 50% of the salaries.

**SEN. MCCARTHY** said she understands it is 50/50 on these salaries, but asked, if the amendment is not passed, if the county has to pick up the difference or is the salary frozen.

**Director Fasbender** indicated that is at the option of the county. They could pick it up, or change the salary back down to the lower amount. In some cases, in the past biennium, they did pick up the difference between the amount set and the 1/2 the state didn't compensate for.

**SEN. LAIBLE** referred to the description of county attorney's pay in the Narrative. He asked if that is the money paid since the special session.

**Director Fasbender** advised last session, they came out \$60,000 short each year. If the department were to compensate at the same level as last year, \$60,000 would have to be added each year. To compensate the county attorneys at 50% of the salaries set by the county commissioners, it would be \$117,000 a year. To compensate at the anticipated level, \$493,000 would be needed for each year of the biennium. \$119,000 would put them up to the level they would have been in the last biennium.

**CHAIRMAN ZOOK** said they set the salary, and the state is supposed to pay half.

**SEN. MCCARTHY** asked if, two years ago, the salaries were tied to the judge and the size of the county.

**Director Fasbender** said that is correct. Legislation was being proposed separately from legislation the counties had proposing a salary commission.

**SEN. MCCARTHY** asked if the salary commission passed, and the other tie-in did not pass.

**Director Fasbender** said that is correct. It is up to the salary commissions to set the salaries of county attorneys.

**SEN. MCCARTHY** said there are no guidelines or parameters by the state. **Director Fasbender** said that is correct.

**CHAIRMAN ZOOK** asked how much was in the Governor's budget in this area.

**Director Fasbender** said it was \$117,000 each year.

**CHAIRMAN ZOOK** thought they ought to stick with the budget office.

**SEN. SCHMIDT** advised county attorneys do a lot of state work.

**Vote:** Motion failed 9-10 with COBB, COONEY, MCCARTHY, NELSON, SCHMIDT, SHEA, STONINGTON, TESTER, and TROPILA voting aye.

**Section C:**

**Motion:** **SEN. STONINGTON** moved that HB000219.AGH BE ADOPTED.  
**EXHIBIT** (fcs71a26)

**SEN. STONINGTON** advised the **DNRC** administers Montana's **Rangeland Management Act**. One of the positions is a shared position with the National Resource Conservation Service to provide a full time range management expert. The subcommittee cut this, and it was a cut over and above the Governor's budget and over and above the rollback to 2000. The amendment would restore the position for \$33,000 a year.

**CHAIRMAN ZOOK** asked if it was in the Governor's budget and funded through NRCS.

**SEN. STONINGTON** confirmed it was funded in the Governor's budget, and it is a shared position with NRCS.

**Discussion:**

**SEN. TASH** said they didn't fund this in subcommittee because they felt **DNRC** and **NRIS** (National Resource Information Service) would be of some assistance.

**SEN. STONINGTON** said discussion in subcommittee was that **NRIS** would potentially fund this after it was cut from the Executive budget, or **NCRS** would come up with the whole amount for the **Rangeland Management Program**. She asked **Ray Beck, DNRC**, to comment.

**Mr. Beck** said he couldn't speak to the **NRIS** part. Currently, they are responsible by state law to administer the **Montana Rangeland Resources Act**. They do not actually have a position or an FTE for these activities they are required to do. The **NRCS** has been going to give them one of their range specialists for the last ten years. The \$33,000 would be matched to the federal government's cost under this program.

**SEN. STONINGTON** asked if there is the potential for them to fund the entire amount.

**Mr. Beck** indicated no. They discussed it with them, and they are somewhat hesitant to provide the 50%. They are willing to go ahead, as long as the state comes up with the match.

**SEN. NELSON** asked him to clarify the rangeland resource program versus the rangeland management program.

**Mr. Beck** said they are the same.

**SEN. NELSON** said in their book it says \$65,000 in general fund over the biennium.

**Mr. Beck** indicated what was cut out in subcommittee was the \$33,000 per year. This would restore \$66,000 for the biennium.

**CHAIRMAN ZOOK** asked what the position does.

**Mr. Beck** said the position has a broad range of responsibility. They work with state agencies, federal agencies, and the private sector. They hold training sessions to assist ranchers in new technology for range management, and reach about 400 managers a year. The position also works to resolve issues between federal agencies, etc.

**SEN. NELSON** clarified it was cut in committee because it was duplicative. Similar educational opportunities exist from other sources such as colleges, Universities, extension agencies, and the internet. If users choose state government as the best

source of these rangeland educational seminar services, private landowners and groups should be willing to pay a fee for that knowledge. She indicated she supports the amendment.

**SEN. STONINGTON** advised it was funded in the Executive budget.

**SEN. BUTCHER** said in the subcommittee there was a feeling there was some duplication, and opportunities to cover this with fees. The program was left open for funding from other sources.

**Vote: Motion failed 9-10 with COBB, COONEY, MCCARTHY, NELSON, SCHMIDT, SHEA, STONINGTON, TESTER, and TROPILA voting aye.**

**SEN. ESP** asked **SEN. STAPLETON** about the reason for cutting the funding for county attorneys. He wondered if that was the Governor's recommendation or something he did.

**SEN. STAPLETON** said he didn't remember.

**Ms. Thorson** the subcommittee added the \$493,000. In **House Appropriations** there was a motion to cut the county attorney program, and that is what restored the five fire marshal positions.

**SEN. STAPLETON** asked why they added that money.

**Mr. Thorson** thought it was the testimony.

**Boilerplate:**

**Motion: SEN. TASH moved that HB000231.ACS BE ADOPTED.**  
**EXHIBIT (fcs71a27)**

**Ms. Purdy** explained statute requires agencies to create an operating plan when they receive money from the legislature. They can change that operating plan during the year, but the initial plan has to be what was set in the Narrative. Statute also says if they want to alter that budget, they have to come to the **Legislative Finance Committee** first. Across the board reductions to agencies have to be done to one line in the budget. The operating plan starts off differently than what it ends up to be, because they are going to allocate that reduction. This amendment allows them to allocate that reduction among divisions in the initial operating plan. When a restricted designation is put on, it means it has to be separately accounted for and no money can be moved out of that restricted appropriation and used for something else. This will allow them to allocate the portion of the across the board reductions also to a restricted line item appropriation.

**CHAIRMAN ZOOK** advised this is due on August 1st, but there is a bill to change it to September 15th. He invited **Director Swysgood** to comment.

*{Tape: 5; Side: B}*

**Director Swysgood** indicated this is alright.

**Vote:** Motion carried 18-1 with COBB voting no.

**Section B:**

**Motion:** SEN. KEENAN moved HB000217.APG BE ADOPTED.

**EXHIBIT**(fcs71a28)

**SEN. KEENAN** said some of the projections for food stamps were inaccurate. Food stamps are in the budget for the first time, and are paid entirely by federal funds. The amendment would bring it up to the anticipated level of spending.

**Vote:** Motion carried unanimously.

**Motion:** SEN. TROPILA moved that HB000219.ALZ BE ADOPTED.

**EXHIBIT**(fcs71a29)

**Section A:**

**SEN. TROPILA** said the amendment was for delegates to the Pacific Northwest Economic Region. The delegates are **SEN. GLENN ROUSCH** and **SEN. AUBYN CURTISS**. The money also pays the dues.

**SEN. LAIBLE** said they looked at this in subcommittee and decided they couldn't fund this with the current budget constraints. He asked them to oppose the amendment.

**Vote:** Motion failed 3-16 with KEENAN, MCCARTHY, and TROPILA voting aye.

**Section D:**

**Motion:** SEN. STAPLETON moved that HB000234.ALT BE ADOPTED.

**EXHIBIT**(fcs71a30)

**SEN. STAPLETON** didn't know how to get rid of a program with a name like the **Displaced Homemaker Program**, and that might have something to do with why it's still here. The subcommittee did not do this, it is something he has listened to testimony on. The **Department of Labor** was asked to prioritize programs of



importance to them. This was one of the programs of least importance, not that it doesn't have a good function, etc. This is a program which no other program did at the time of it's inception. He thought it could be merged into other programs.

**SEN. SHEA** advised she had been involved with this program almost as long as it's been around. She worked on several boards, and saw the positive effects of what went on with displaced homemakers. There are several men who have participated. This is a safety net for Montanans, for those who don't qualify for the TANF programs. Federal money is not coming down anymore for Job Service, and these people aren't going to fit into other programs. The program has many success stories. These are not people living off the system, they are people who are going back to work. She said the program is up for the ax every year, and every year people come out of woodwork to support the program. She hoped they would not sink this low.

**SEN. SCHMIDT** said **REP. DAVE LEWIS** was adamant about keeping this program in subcommittee. She thought **SEN. STAPLETON** was the only one voting against it. The funds for the program are now in special revenue and they are funded from the employment security account, so there is no general fund.

**SEN. STAPLETON** said he remembered it being one-sided, but that **REP. LEWIS** said his sister was served by the program.

**SEN. NELSON** asked if the program has always been funded from the Employment Security Account.

**SEN. SCHMIDT** said it was done recently.

**Todd Younkin, Legislative Fiscal Division**, advised the **Displaced Homemaker Program** was funded by general fund. This session it was funded with general fund by the Executive, and the subcommittee switched that and funded it with the Employment Security Account.

**SEN. NELSON** asked if that account is threatened at all.

**Mr. Younkin** advised the account is projected to have a positive balance.

**SEN. ESP** asked **SEN. SHEA** how the money is distributed.

**SEN. SHEA** deferred the question.

**Linda Keating, Department of Labor and Industry**, advised the Employment Security Account exists to provide employer related

employment services. There was a funding switch that took place in subcommittee. The general fund workforce training programs were put under the Employment Security Account. The money was out of the local Job Service offices, and they used federal money to backfill the local Job Service offices.

**SEN. JOHNSON** asked how much was in the account. He asked if \$7 million a year flows through it.

**Ms. Keating** said the money that is collected from the employers is about what they use normally to fund four programs. It pays for about 45% of the local job service operations, the state apprenticeship program, and the Bureau of Labor Standards. This was a one-time funding switch that moved the **Displaced Homemaker Program** because they backfilled those programs with federal funds.

**SEN. JOHNSON** asked if there is a balance in the fund on a continuing basis.

**Ms. Keating** advised some years, yes. They project they will not have a surplus in there by the end of the next biennium. As they use the money they collect, they will get to the point where the account will be short.

**SEN. BUTCHER** said it seemed like there were all kinds of training programs throughout the department. He wondered if this program could be folded into one of these other job training programs.

**Ms. Keating** indicated Montana rates at the very bottom of all the states in terms of state dollars it contributes to workforce development. They just got their allocations for job training, and there is a 43% decrease in the amount of federal job training funds between last year and next year. There are dwindling funds for job training, and not enough money to serve those that need it. That is another reason why this program is crucial.

**CHAIRMAN ZOOK** asked if this is a statewide program.

**Ms. Keating** stated the program operates in nine areas around the state. Those centers serve the rural areas around them. Decreased funding closed one center in Great Falls.

**CHAIRMAN ZOOK** asked if she would name those areas.

**Ms. Keating** named Butte, Missoula, Billings, and Helena.

**Mr. Younkin** said the nine centers are Billings, Belgrade, Butte, Havre, Helena, Kalispell, Lewistown, Miles City, and Missoula.

**SEN. LAIBLE** asked if the switch is made, what programs would have to be shut down within the department.

**Ms. Keating** said the funds would run out in the next biennium, but in this case it would be cost neutral for the fund. They are backfilling some other things that are funded in this area with some federal dollars that they have on a one-time-basis. They moved the program from the general fund to the Employment Security Account, and used federal dollars to make up for that.

**SEN. LAIBLE** said when this money runs out, there will come a time when they can't backfill with federal funds, and programs will have to be cut.

**Ms. Keating** said in the next biennium, they will have to look at how these programs can be funded, and if they can go back to the general fund. They will have to look at what reductions they need to make in the programs that are normally funded under this.

**SEN. BARKUS** asked how many homemakers the program affects.

**Ms. Keating** said last year 160 individuals were served, and this year they have served 130. It is somewhere between 110-115 on the average.

**SEN. BARKUS** asked how many alternative programs there would be.

**Ms. Keating** said there are alternative programs, but there isn't money for those programs. The demand is great, and those federal programs have been reduced.

**Motion failed on a voice vote.**

- recess 7:00 p.m. -

**RECESS**

Recess: 7:00 P.M.

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SEN. TOM ZOOK, Chairman

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PRUDENCE GILDROY, Secretary

TZ/PG

**EXHIBIT (fcs71aad)**